

## MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: September 30, 2022

RE: Legislative Report: Austin and Washington Updates

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Please find below updates on legislative activities in Austin and Washington. (*To access links below, control+click on link.*)

### **USACE Galveston District Summer/Fall Stakeholder Partnering Forum**

The US Army Corps of Engineers (USACE) Galveston District will conduct their Summer/Fall Stakeholder Partnering Forum in Galveston beginning at 8:30 am on Thursday, October 6<sup>th</sup> at the Galveston District Headquarters (Jadwin Building), Room 175/185. If tickets are no longer available or you are unable to attend, please know that all presentations slides will be available on the Stakeholder Partnering Forum website, and all presentations will be recorded and also added to the website (<https://www.swg.usace.army.mil/About/Partners/Stakeholder-Partnering-Forum/>).

### **ASBPA Texas Chapter Lunch “Partnering with the Galveston District USACE”**

Tying into the USACE Partnering Forum, the Texas Chapter of the American Shore & Beach Preservation Association will hold a buffet luncheon meeting starting at 11:30 am at the Galveston Island Convention Center on Friday, October 7<sup>th</sup>. There is no charge or need for registration, but please e-mail Jerry Mohn, ASBPA Texas Chapter President, if you wish to attend. The agenda is attached.

## **Austin Update**

### **Texas Municipal League Annual Meeting: Focus on Legislative Concerns**

On October 5<sup>th</sup>-7<sup>th</sup>, Cities’ elected officials and staff will gather in San Antonio for the TML Annual Conference where further discussion and action will firm up the organization’s 2023 Legislative Program. The following link provides a summary of the [TML Proposed Legislative Program \(2023-2024\)](#). A few issues that could be of interest to Galveston:

- *Property Tax Reform and Anticipation Notes* – During a House Ways & Means Committee interim hearing, an Amarillo resident raised issues related to a suit he has filed against the City over the use of Anticipation Notes (ANs) to fund civic center improvements after voters had rejected a General Obligation (GO) Bond Referendum for a similar project. While the ANs will finance a smaller scale version of the GO bond project rejected by voters, the resident asserted the City’s action circumvented the will of the voters. ANs have a maturity date of seven (7) years and do not require upfront approval by voters. The City of Amarillo may choose to refinance the ANs through a 30-year bond. During the hearing, Ways & Means Committee Chairman Morgan Meyer asserted action will be taken to address this issue. The Legislature could act to require voter approval for ANs or factor the use of ANs in the 3.5 percent property tax cap calculations. A amenable

compromise could be placing a three (3)-year waiting requirement before cities could use ANs to finance a project that has been rejected by voters (a requirement placed on Certificates of Obligation).

- *Publication of Legal Notices* – allow cities the option of using either an official newspaper, a website, or alternate methods for the publication of legal notices.
- *PayGo Financing* – promote pay as you go financing for capital project by authorizing a dedicated property tax rate that is classified similarly to the debt service tax rate in property tax calculations.
- *Competitive Bidding* – increase the competitive bidding threshold to account for increased costs to cities.

Additional resolutions will be considered for endorsement during the TML Business Meeting. The full resolutions packet can be found [here](#). The TML Board will finalize the 2023-2024 legislative program in December. Of particular interest is the Hotel Occupancy Tax Resolution proposed by the City of Amarillo. The City of Amarillo will seek legislation to increase the 7 percent HOT tax authority granted to cities under Chapter 351, Tax Code, to 9 percent. The City of Amarillo currently imposes the 7 percent HOT tax. An extra 2 percent HOT tax (Venue Tax) is dedicated to fairgrounds with a small portion for the civic center. With this legislation, the City of Amarillo is seeking additional HOT funds that could be used for renovations to their Amarillo Civic Center Complex. I am reaching out to my counterpart with the City of Amarillo to assess any interest by the City to include tourism-oriented policing/public safety services as an additional eligible use as part of their legislation.

### **Comptroller Issues Broadband Development Office Proposed Rules**

Comptroller Glenn Hager released proposed rules governing the Broadband Development Office (BDO) and its programs necessary to implement the new office, created by the passage of [HB 5](#). The [proposed rules](#) cover program eligibility and requirements, application requirements, and set up a process for petitioning a designated area classification, among other things. Comments on the proposed rules may be submitted to Greg Conte, Director, Broadband Development Office, at [broadband@cpa.texas.gov](mailto:broadband@cpa.texas.gov) or at P.O. Box 13528, Austin, Texas 78711-3528. Comments must be received no later than October 23rd.

### **Texas Legislature – Interim Charge Committee Hearings**

#### **Texas House Committee on Transportation Hearing on October 6th**

The Committee will meet on Thursday, October 6 at 9:00 a.m. in Corpus Christi to hear the following joint interim charge: Study the impacts that increased federal funding, formula changes, and new programs authorized in the Infrastructure Investment and Jobs Act will have on state transportation projects. Evaluate strategies to ensure Texas communities can maximize receipt of federal grant funds. Texas Ports Association will be an invited witness expected to advocate for a state-funded Port Infrastructure Fund for the deepening and widening actions needed for building and maintaining navigation channels.

### **Washington Update**

#### **Congress Passes Short-term Funding Bill; Extends NFIP Authorization to December 16<sup>th</sup>**

Congress passed a Continuing Resolution (HR 6833) that will temporarily allow the federal government to remain funded at current spending levels through December 16<sup>th</sup>. Other provisions in the bill include \$19 billion for disaster relief resulting from Hurricane Ian in Florida, Hurricane Fiona in Puerto Rico, and Typhoon Merbock in Alaska; and National Flood Insurance Program authorization (set to expire on

September 30<sup>th</sup>) extension until December 16<sup>th</sup>. The CR timeframe gives House and Senate negotiators time to reach a larger agreement over how to fund the government for FY 2023, which begins on October 1<sup>st</sup>. Midterm elections will likely be a major factor in larger funding talks for FY 2023.

Congress will recess through the month of October until after Election Day in November. Both chambers are scheduled to return to Washington DC on November 14<sup>th</sup>. With the CR set to expire on December 16<sup>th</sup>, time is limited to negotiate and come to agreement on an omnibus bill to fund federal agencies until the end of FY 2023 on September 30, 2023. Lawmakers suggest more funding may be provided for hurricane aid in a post-election omnibus appropriations bill package.

### **Galveston Seeks Bill Language to Protect Federal Transit Urbanized Area Formula Funds**

In preparation for FY 2023 omnibus appropriations negotiations, the City of Galveston sent the attached letters to Senator John Cornyn, Senator Ted Cruz, and Representative Randy Weber requesting their help to ensure Federal Transit Administration urbanized area (UZA) transit formula funds continue to Galveston. Due to delays associated with COVID, the Census Bureau announced the UZA census data will not be provided to FTA until December. As such, FTA has announced they will use the 2010 decennial census data when preparing UZA funding apportionments for FY 2023. The City is requesting to have language inserted in the FY 2023 omnibus appropriations bill that directs FTA to use the 2020 UZA data when apportioning FY 2023 UZA transit formula funds.

### **Coalition Releases Report on Risk Rating 2.0 Impact on NFIP Premium Affordability**

The Coalition for Sustainable Flood Insurance (CSFI) today convened members from across the country to usher the release of a white paper – *An Evaluation of Risk Rating 2.0 Impacts on National Flood Insurance Program Affordability*. This work communicates the causes and effects of rising flood insurance premiums, by synthesizing academic research, government reports, and public datapoints. The [full paper](#) and an [executive summary](#), each outlining actionable recommendations. Release of the white paper follows media coverage of ongoing affordability challenges and a decline in program participation. The [Associated Press suggests](#) that Risk Rating 2.0 could cause 20% of policyholders to drop coverage, based on internal FEMA studies, and [E&E News has identified](#) that 425,000 policyholders have already discontinued coverage under Risk Rating 2.0.

Key recommendations from the paper include:

- FEMA should disclose the factor by which premiums are changing for NFIP policies by ZIP code, county, and state and disclose the estimated RR2.0 full-risk premium and total policy costs
- FEMA should clearly disclose planned premium rate increase velocities in RR2.0 to remove uncertainty for insureds and allow households and housing markets to prepare for higher NFIP policy costs.
- FEMA should counter the known negative relationship between price and participation by adopting a low-rate annual premium increase plan until Congress authorizes an affordability framework.
- Legislators should carefully consider the limitations of affordability frameworks relying solely on income ratios to determine program eligibility. Housing burden should be an additional tool to target and equitably distribute assistance to areas with greater housing burdens
- Legislators and stakeholders should continue to evaluate affordability program design, pursue legislative enactment of an affordability program, and clearly communicate desired NFIP affordability public policy implementation outcomes to FEMA.

## Treasury Sends Letter on Administrative Funding Constraints

On Friday the Treasury Department sent a version of [this letter](#) to all recipients of State and Local Fiscal Recovery Funds (SLFRF), the Capital Projects Fund, the Emergency Rental Assistance Program, the Homeowner Assistance Fund, and the Local Assistance and Tribal Consistency Fund. The letter describes the department's administrative funding constraints for these programs and corresponding ways Treasury is preparing to adjust its operations.

According to the letter, Treasury is "working with Congress to seek flexibility in how administrative funds can be used across programs, which would preserve our ability to provide support across these programs without affecting any of the department's operations." Pending these changes by Congress, Treasury outlines the department is, for the programs listed above, in the process of: (1) ending call center support, beginning in October; (2) curtailing email response operations; (3) reducing reporting and recipient monitoring activities; and (4) instituting a hiring freeze of federal staff for these programs.

## FCC Opens the Broadband Data Challenge Process

On September 12, the Federal Communication Commission (FCC) opened the [Broadband Data Bulk Challenge Process for the Broadband Serviceable Location Fabric \(BSL Fabric\)](#) to local governments and other eligible entities. The BSL Fabric is the common dataset of all locations in the United States where fixed broadband internet service is available or can be installed. Local governments can now file challenges to the available data to either correct or supplement the available data released. An FCC-sponsored [webinar](#) is available with more information on the challenge process. The National League of Cities published an [information article](#) last week.

As reported last week, the National Telecommunications and Information Administration (NTIA) [released](#) an update to the [federal broadband funding site](#), which aims to serve as a "one-stop shop" of resources for potential applicants seeking federal broadband funding. The NTIA Communications Supply Chain Risk Information Partnership (C-SCRIP) [posted](#) resources from its first webinar for stakeholders, featuring discussion on the Internet for All broadband programs and the Cybersecurity Framework and Cybersecurity Supply Chain Risk Management Program. Information from additional events can be found [here](#).

## FEMA's Hazard Mitigation Assistance Summer Engagement Series

FEMA is hosting a number of educational webinars for stakeholders interested in FEMA Hazard Mitigation Assistance (HMA) grant programs.

The [2022 Hazard Mitigation Assistance \(HMA\) Summer Engagement Series](#) began on Aug. 4, 2022 and will continue through September. The remaining webinar is listed below:

### Upcoming Webinars

- **Tuesday Oct. 4:** Using Grant Funding to Build Resilience: The How, When, and Where of Applying for the Hazard Mitigation Grant Program (HMGP)

## Reports of Interest

### [Tracking the Funds: Specific Fiscal Year 2022 Provisions for U.S. Army Corps of Engineers](#)

GAO-22-105919, September 29